

**BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**  
**DOCKET NO. 2020-125-E**

IN RE:	)	<b><u>DEPARTMENT OF CONSUMER</u></b>
	)	<b><u>AFFAIRS' FIRST SET OF</u></b>
Application of Dominion Energy	)	<b><u>INTERROGATORIES AND</u></b>
South Carolina, Inc. for	)	<b><u>REQUEST FOR PRODUCTION OF</u></b>
Adjustment of Rates and Charges	)	<b><u>DOCUMENTS TO DOMINION</u></b>
	)	<b><u>ENERGY SOUTH CAROLINA, INC.</u></b>
	)	

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Pursuant to S.C. Code Ann. Regs. 103-833, the South Carolina Department of Consumer Affairs ("Department") submits, by and through its undersigned counsel, hereby submits this First Set of Interrogatories and Request for Production of Documents to Dominion Energy South Carolina, Inc. ("DESC"). Pursuant to South Carolina Rules of Civil Procedure and Commission Regulations, each request is continuing until the time of the hearing such that DESC must promptly transmit to the Department the requested information as it becomes available. Please forward to the undersigned, via email, your first iteration of responses to the following request within 20 days of service.

**Instructions**

1. Responses to these requests should be provided within 20 days of this request in writing and under oath to the email addresses listed below.
2. You are under a duty to supplement any response to this request for production for which you learn that the response is in some material respect incomplete or incorrect and if the additional or corrective information has not otherwise been made known to us during the discovery process or in writing.
3. For any document withheld under a claim of privilege, submit a sworn or certified statement from your counsel or one of your employees in which you identify the document by author, addressee, date, number of pages, and subject matter; specify the nature and basis of the claimed privilege and the paragraph of this demand for documents to which the document is

responsive; and identify each person to whom the document or its contents, or any part thereof, has been disclosed.

### **Definitions**

1. “Application” is defined as the application filed by Dominion Energy South Carolina, Inc. on August 14, 2020 or as otherwise revised.
2. “Company” and “DESC” are defined as Dominion Energy South Carolina, Inc., its parent(s), subsidiaries, affiliates, predecessors, successors, officers, directors, agents, employees, and other persons acting in its behalf.
3. “Workpapers” and “documents” are defined in the most broadest terms and should not be construed as limited to the listed examples, or limited only to items that are currently within your control or custody; include each and every original or copy of words or information generated by printing, typing, longhand, electronic recording, or other process, regardless of the form thereof, and include any kind of writing. Such documents include, but are not limited to, published materials, reports, correspondence, emails, records, memoranda, notices, notes, marginal notations, messages, teletype printouts, statements, books, studies, minutes, diagrams, drawings, maps, surveys, plans, charts, graphs, data, computer files, billings, evaluations, photographs, audio tapes, and videotapes.

### **Requests for Production**

- 1-1. Provide copies of all discovery responses, including responsive documents or materials, already provided by the Company in this docket. This request is continuing such that the Company must promptly transmit to the Department the requested information as it becomes available.
- 1-2. Provide all workpapers and source documents supporting the Company’s Application, testimony and exhibits. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-3. Provide the Company’s rate design and revenue allocation spreadsheets and associated workpapers including all linked files. Provide the files in electronic form with all links and

formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

- 1-4. Provide copies of any and all workpapers that link and/or tie the Company's revenue requirement to the requested revenue allocation and requested rate design. Provide the files in electronic form with all links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-5. Provide the base revenue by month for each current and proposed rate class for years 2014 - 2019 and each month of 2020. Provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-6. Provide the total revenue, broken down by major category, by month for each current and proposed rate class for each of the years 2014 – 2019 and each month of 2020. Provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-7. Provide the average number of customers by month for each current and proposed rate class for each of the years 2014 - 2019 and each month of 2020. Provide the source documents containing the customer data supplied in response to this request. Provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-8. Provide the actual electricity usage data by month for each current and proposed rate class for each of the years 2014 – 2019 and each month of 2020. Provide the source documents containing the usage data supplied in response to this request. Provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data

- used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-9. Provide the revenue forecast for 2020, 2021, and 2022. Provide the source documents containing the usage data supplied in response to this request. Provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
  - 1-10. Provide normalized (weather-adjusted) electricity usage data by month for each current and proposed rate class for each of the years 2014– 2019 and each month of 2020. Provide the source documents containing the usage data supplied in response to this request. Provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
  - 1-11. Provide the Company's actual load growth by customer class for each of the years 2014 through 2019 and as projected for 2020, 2021, 2022, 2023, and 2024. Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
  - 1-12. For the last three years, provide all comparisons, analyses, and studies in the Company's possession, custody, or control that compare the customer charges of regulated electric companies.
  - 1-13. For the last three years, provide all comparisons, analyses, and studies in the Company's possession, custody, or control that compare the variable rates of regulated electric companies.
  - 1-14. Provide the cost of the meters installed for each current and proposed customer class. Provide the individual meter costs and the average cost of all meters installed for each

current and proposed customer class. To the extent possible, all data requested should be provided in electronic spreadsheet format with clearly identified variables and calculations. Provide the data in electronic spreadsheet form with all links and formulas intact, source data used, and explain all assumptions and calculations used. If the requested data is not available, explain why it is not available and the date on which it will be available.

- 1-15. For each miscellaneous service fee a customer may be charged, please provide all analyses, compilations of data/information, studies, or documents prepared by or for the Company that examine the cost of providing the service(s) associated with each of the Company's other service charges. If no analyses, compilations of data/information, studies, or documents were prepared, explain how the charges were developed and explain the basis for the amount charged to customers. Provide the data in electronic spreadsheet form with all links and formulas intact, source data used, and explain all assumptions and calculations used. If the requested data is not available, explain why it is not available and the date on which it will be available.
- 1-16. To the extent the Company uses labor rates to establish miscellaneous service fees, please provide all source documents and workpapers, including all time and motion or other studies, used to calculate all labor rates used to determine each fee. Provide the data in electronic spreadsheet form with all links and formulas intact, source data used, and explain all assumptions and calculations used. If the requested data is not available, explain why it is not available and the date on which it will be available.
- 1-17. Provide all analyses conducted by or for the Company which demonstrates the impact the Company's rate proposals will have on customers' bills. Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-18. Provide a summary of the customer charge and volume-based charges by rate class over the last six years for the Company. Include the effective date for each change in the customer charge rate.
- 1-19. Provide all analyses prepared by or for the Company that compares its present or proposed rates to other electric utility companies. Provide all workpapers and source documents

supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.

- 1-20. Provide all analyses prepared by or for the Company that compares the Company's operating expenses to other electric utility companies. Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-21. Identify all policy decisions taken into consideration in the development of the Company's rate design proposal. For each policy decision identified, identify the supporting Commission Order including Docket No. and page number.
- 1-22. Provide an active copy of the Company's Class Cost of Service Study ("CCOSS"). Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-23. Provide an active copy of the Company's Jurisdictional Cost of Service Study. Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-24. Provide all subsidiary studies to the Company's CCOSS. This includes all studies used to derive the allocation factors used in the CCOSS and/or used for any other purpose in the CCOSS. These include but are not limited to special cost allocation studies. Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form

requested, provide the information in the form that most closely matches what has been requested.

- 1-25. For the years 2013 through 2019, provide the coincident peak system demand by month for each current and proposed customer class. Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-26. For the years 2014 through 2019, provide the non-coincident peak demand by month for each current and proposed customer class. Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-27. Please provide all quantitative studies in the Company's possession related to the load diversity of customers on the Company's system. Provide all workpapers and source documents supporting the Company's response in electronic form, with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-28. Please provide the following for each energy efficiency program currently in existence: 1) the annual lost margin due to the energy savings associated with each program since inception; 2) the annual energy savings for each program since inception; 3) the annual number of participants since inception; and 4) the annual company expenditures for the proposed energy efficiency programs for the first five years. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.
- 1-29. Please provide financial statements depicting the Company's operating revenue, operating expenses, operating income, rate base, other income expenses, and net income from 2014–

2019. Please identify the components of the financial statements which make up the items in the Company's rate base. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.

- 1-30. Please provide all studies and analyses the Company is aware of that generally examine the relationship between utility rates and customer affordability. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-31. Please provide all studies and analyses the Company is aware of that examine the relationship between utility rates and customer affordability in the Company's service territory. Please provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, provide the information in the form that most closely matches what has been requested.
- 1-32. Please provide the Company's achieved and allowed rate of return and return on equity for each of the years 2015 to present. Provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.
- 1-33. Please provide a detailed narrative describing the metrics the Company uses to gauge the competitiveness of its rates and services to other utilities.
- 1-34. Please identify an appropriate peer group that the Company uses to gauge the competitiveness of its rates and services to other utilities.
- 1-35. Please provide all analyses and/or benchmarking studies the Company has conducted or been a part of within the past 5 years discussing the competitiveness of its rates and services to other utilities. Please provide the requested documents in electronic form with all links



and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.

- 1-36. Please provide the Company's annual customer counts, actual sales, and weather-normalized sales by customer class and rate class from the year 1990 to the present. If the data requested in (a) is not available in its entirety, please provide as much data as possible for as many years as possible. Please provide any and all workpapers in electronic spreadsheet form, with all links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.
- 1-37. Please provide a detail narrative describing the Company's process for determining appropriate hourly loads for each customer class.
- 1-38. Please provide the most recent load research information the Company has in its possession, custody or control that it uses to determine the appropriate hourly load for each customer class. Please provide any and all workpapers in electronic spreadsheet form, with all links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.
- 1-39. The Application refers (at paras. 17-21) to a list of capital expenditure categories since 2011, in the areas of generation, transmission and distribution, totaling \$3.2 billion.
  - a. Provide any analyses the company performed since 2011 on whether any of these expenditures could have been avoided had the utility formed, with other utilities: a regional transmission organization or independent system operator; a joint generation planning arrangement; or a joint generation dispatch arrangement.
- 1-40. Referencing page 22, lines 10-12 of Dr. Vander Weide's direct testimony it states, "To mitigate the negative impacts of the Act and to protect customers and the utilities from the effects of declining cash flows, utilities such as DESC have generally increased the percentage of equity in their capital structures":

- a. Please provide the basis for this claim, including data and any analyses conducted by Dr. Vander Weide, and any articles, orders, filings, other evidence or sources that support the claim.
- 1-41. Referencing page 22, line 28, and pages 23, lines 1-3 of Dr. Vander Weide's direct testimony it states "...the risks of investing in electric utilities are increased because of the greater capital intensity of the electric energy business...":
- a. Please provide the basis for this claim, including data and any analyses conducted by Dr. Vander Weide, and any articles, orders, filings, other evidence or sources that support the claim.
- 1-42. Referencing page 23, lines 3-6 of Dr. Vander Weide's direct testimony: it states "...unlike returns in competitive industries, the returns from investment in electric utilities such as DESC are largely asymmetric. That is, it is more likely that the utility will earn less than its required return than that the utility will earn greater than its required return":
- a. Please provide the basis for this claim, including data and any analyses conducted by Dr. Vander Weide, and any articles, orders, filings, other evidence or sources that support the claim.
- 1-43. Referencing page 27, lines 22-27 of Dr. Vander Weide's direct testimony it states, "I prepared a study with Willard T. Carleton, Professor Emeritus of Finance at the University of Arizona, which is described in a paper entitled 'Investor Growth Expectations: Analysts vs. History,' published in The Journal of Portfolio Management."
- a. Please provide a copy of this study.
- 1-44. Referencing page 28, lines 14-16 of Dr. Vander Weide's direct testimony it states "I note that researchers at State Street Financial Advisors updated my study, and their results confirmed that analysts' growth forecasts are superior to historically-oriented growth measures in predicting a company's stock price": (Pro)
- a. Please provide a copy of this study.
- 1-45. Referencing page 27, lines 22-27, of Dr. Vander Weide's direct testimony it states "These results are consistent with those found by Cragg and Malkiel, the early major research in this area (John G. Cragg and Burton G. Malkiel, Expectations and the Structure of Share Prices, University of Chicago Press)":

- a. Please provide a copy of the study(s) completed by these authors regarding this topic.
- 1-46. Referencing page 30, lines 1-7, of Dr. Vander Weide's direct testimony, he explains how he selected the companies in his electric utility company group.
  - a. Please provide the list of the electric companies followed by Value Line that he did not include in his group.
- 1-47. Please provide a copy of Dr. Vander Weide's exhibits from his direct testimony in live Excel format with all formulas intact, including all data used to complete the calculations and their source.
- 1-48. Please provide a copy of all sources referenced in Dr. Vander Weide's direct testimony.
- 1-49. Please provide the actual balance of short-term debt used by SCE&G/DESC for each month (or most frequently available) from January 1, 2015 to the most currently available in live Excel format.
- 1-50. Please provide the monthly (or most frequently available) balance sheet and income statements for DESC for each year from January 1, 2015 to the most currently available in live Excel format.
- 1-51. Please provide the monthly (or most frequently available) balance sheet and income statements for SCANA for each year from January 1, 2015 to the most currently available in live Excel format.
- 1-52. Please provide the monthly (or most frequently available) balance sheet and income statements for Dominion Energy for each year from January 1, 2015 to the most currently available in live Excel format.
- 1-53. Please provide a copy of all the major bond rating agency reports that cover Dominion Energy, SCANA and SCE&G/DESC that were issued over the last five years.
- 1-54. Please provide the total actual balance of CWIP broken down into CWIP earning AFUDC and CWIP not earning AFUDC for SCE&G/DESC for each month (or most frequently available) from January 1, 2015 to the most currently available.
- 1-55. Please provide the amount of short-term debt that was applied to the computation of the AFUDC rate associated with CWIP on a monthly basis for each month (or most frequently available) from January 1, 2015 to the most currently available for SCE&G/DESC.

### Interrogatories

- 1-1. Does the Company believe that it is an accepted principle of utility ratemaking that the fixed costs of a utility should be recovered from customers through the fixed component of its rate structures? Please provide citations and copies of all authoritative literature, studies, and empirical evidence supporting your response.
- 1-2. Referencing page 18, lines 8-19 of Dr. Vander Weide's direct testimony:
  - a. Does management performance create uncertainty? Please explain.
  - b. Please explain under what circumstances you believe that performance could negatively affect recovery of cost of service, or if you believe that the Commission should guarantee recovery regardless of performance.
- 1-3. Referencing page 23, line 9 of Dr. Vander Weide's direct testimony, it states "I use several generally accepted methods for estimating the cost of equity for DESC.
  - a. Please explain how did Dr. Vander Weide determine that his models are generally accepted?
  - b. Please explain by whom are these models generally accepted by?
  - c. If the models used by Dr. Vander Weide are generally accepted, are all aspects of Dr. Vander Weide's models generally accepted? For example, is it generally accepted to calculate growth component of a DCF model precisely as Dr. Vander Weide has done? Please explain.
- 1-4. Referencing page 27, lines 10-11 of Dr. Vander Weide's direct testimony: it states, "Investors use the mean forecast as an estimate of future company performance.":
  - a. Please provide the basis for this claim, including data and any analyses conducted by Dr. Vander Weide.
- 1-5. Referencing page 9, lines 7-9, lines 18-20, and page 43, lines 4-6 of Dr. Vander Weide's direct testimony, it states, "investors measure the expected return and risk of their portfolios using market value weights, not book value weights... market values are the best measure of the current value of the portfolio. From the investor's point of view, the historical cost, or book value of their investment, is generally a poor indicator of the portfolio's current value... estimates the required rate of return on equity by calculating the expected rate of return on book equity of comparable risk companies."

- a. Please explain why a cost of equity method based on the expected rate of return on book equity is a poor measure of the cost of equity.
- 1-6. The Application (para. 11) states that the utility's test year ROE was 5.90%.
  - a. Please provide all analyses conducted by the company showing that the distance between the 5.90% figure and the previously authorized ROE was not a result of the utility failing to manage its costs prudently; and
  - b. Identify all reasons for the shortfall.
- 1-7. The Application (para. 33) states: "Under the Takings Clauses of the United States and South Carolina Constitutions, DESC is entitled to earn a reasonable and compensatory return on its investment in assets devoted to service to the public."
  - a. Does Witness Vander Weide agree with the quoted statement? The witness should answer yes or no, and provide full explanation.
  - b. Does Witness Vander Weide view the statement at paragraph 33 as contradicted by either (i) the last phrase in paragraph 29 ("reasonable opportunity to earn an adequate rate of return on its investment in its electric system and assets with which it serves retail customers"), or (ii) the phrase at para. 34(b) ("to earn a fair rate of return as authorized by the Commission")? Please answer yes or no, and with explanation.
  - c. Does DESC intend to correct the misstated federal and state Constitutions' requirement for the Commission?
- 1-8. Referencing page 13, lines 16-20 of Vander Weide's Direct, it states: "The business risk of investing in electric utility companies such as DESC is caused by: (1) demand uncertainty; (2) operating expense uncertainty; (3) investment cost uncertainty; (4) high operating leverage; and (5) regulatory uncertainty.":
  - a. These questions relate to cost-recovery risk arising from these uncertainties:
    - i Identify each means of cost recovery, whether a passthrough clause, surcharge, rider or other measure (including any new or returning measures such as the vegetation management accrual and Storm Damage Reserve), that allows DESC to recover cost increases without filing a general rate case.

- ii State and explain the percentage of DESC's total annual cost defined as the sum of the revenue requirement DESC proposes in this proceeding and the total costs recovered through the various measures identified and represented by the total costs recovered through those various measures.
- iii Describe all ways in which Dr. Vander Weide reflected in his proposed ROE the lower risk of cost recovery arising associated with those measures.
- iv Describe all actions you took to verify that for members of your proxy group, the percentage of their total costs recoverable through passthrough clauses and riders is comparable to the percentage recovered by DESC.

1-9. DESC's Application states (at para. 13): "The Consumer Price Index, as issued by the United States Department of Labor Bureau of Labor Statistics, shows that producer prices have increased by approximately 14% since the close of the prior test year." Mr. Blevins Direct at page 9, lines 15-19, compares that 14% increase to the Company's request for a 7.75% increase.

- a. Does Mr. Blevins intend to imply that the basket of products and services reflected in "producer prices" has a cost structure comparable to the utility's cost structure?
- b. Provide all analyses that Mr. Blevins, or any DESC witness or consultant, performed or reviewed before Mr. Blevins submitted his testimony, of the similarities or differences between the cost structure underlying "producer prices" and the utility's cost structure.
- c. Explain whether and how any legitimate assertion of comparability between the increase in "producer prices" and the proposed increase in the utility's costs must take into account the fact that the utility has been recovering increases in some of its costs via passthrough clauses and riders, making any comparison of the utility's stated 7.75% and the "producer price" increase of 14% illogical.
- d. In any comparison between the 14% and the 7.75%, where do the costs of the V.C. Summer 1 and 2 fit in?

1-10. Application's Prayer for Relief at paragraph 2 states: "[I]f the evidence as it appears in the hearings and other proceedings concerning this Application so allows, approve rates that

are higher than those proposed here, either in general or for specific rates or rate classes, or to otherwise change DESC's terms, conditions and classifications of service, and DESC specifically gives notice to interested parties that the rates that result from this Application may differ from or exceed those set forth herein;"

- a. Confirm that with this paragraph that DESC is not reserving some right to change its Application so that it can seek higher rates than it proposed; but is simply stating a legal fact that the Commission has statutory power to set the rates at whatever level the Commission deems lawful, regardless of whether that level is above or below that proposed.

1-11. Mr. Kissam (Direct at pages 4, 17, 18) bases his praise for his company's performance, in safety, outage rates and availability, in part on comparisons with other utilities and industry averages.

- a. Does Mr. Kissam believe that a company is more likely to improve its performance if it can compare itself to other utilities?
- b. Does Mr. Kissam believe that a company is more likely to improve its performance if it knows that the commission can compare that performance to that of other utilities?
- c. Explain how the usefulness of such comparisons has been diminished by Duke's acquisition of SCE&G, given that the acquisition eliminated the possibility of comparing two adjacent utilities.

1-12. Describe all the ways in which the South Carolina Public Service Commission's policies, rules and orders have, in the past five years, and currently, caused DESC to bring its customers benefits in terms of cost-effectiveness, reliability, and innovation.

1-13. Re: the utility's request to discontinue Rate 21A, Experimental Program General Service Time-of-Use Demand (Application at para. 38):

- a. Describe all current company plans to institute time-of-day rate designs or other measures to reduce or shift consumption.
- b. Describe all efforts SCE&G took, since 2011, to reduce the company's peak demand.
- c. Describe all alternative peak reduction methods DESC or any affiliate considered as replacements for adjustments to Rate 21A.

- d. Identify how much generation and transmission capacity (quantity and dollars currently in rate base) added since 2011 would not have been necessary had SCE&G or DESC taken all prudent actions (as defined now by DESC) to reduce, or limit growth, in peak demand.
- 1-14. Referencing Elbert's Direct at page 11, lines 18-20, "Each year, the CGN Committee sets a financial target for 100% plan funding based on operating earnings per share ("EPS"). For 2019, that target was \$4.20 operating EPS. Please explain this statement.
  - a. Does it mean that the amount of funds available for AIP spending depends on a year's earnings per share?
  - b. Please provide some simple hypotheticals that explain the relationship between EPS and AIP spending.
  - c. In particular explain what (i) "100% plan funding" means, (ii) whether the level of "plan funding" is first determined independent of EPS, (iii) whether the EPS figure is a goal or an actual result, and then (iv) how the EPS affects plan funding.
  - d. Is the idea that the total amount of plan funding depends, in whole or in part, on EPS, but that the amounts actually received by employees from that total amount do not depend on EPS?
  - e. Please clarify which plans apply to top executives (and please identify their positions), and which plans apply to everyone else.
- 1-15. Identify all individuals employed by affiliates of DESC, at the level of Senior Vice President or above, who have control or influence of DESC's financial, operational, capital expenditure or rate decisions or practices. For all purposes, "affiliate" includes the top-level holding company for Dominion Energy, any service company subsidiary of Dominion Energy, and any direct or indirect subsidiary of the holding company.
- 1-16. Provide a narrative explanation of the compensation system applicable to each individual identified in the response to the immediately preceding question. The explanation should specify, among other things, the portions of the individual's total compensation that are fixed, depend on earnings (and which company's earnings), depend on Dominion Energy's stock price, depend on consumer benefits in terms of cost-effectiveness, depend on



consumer benefits in terms of reliability, and depend on consumer benefits in terms of innovation. Provide all documents that describe each individual's compensation.

1-17. Referencing Blevins Direct pages 26-32:

- a. For each item described here, indicate whether, and the extent to which, the cost is reflected in the revenue requirement proposed in this proceeding:

1-18. Referencing Blevins Direct page 32 line 17 to page 33 line 2:

- a. How, if at all, are the suspensions of disconnections for non-payments, and late fees, reflected in the revenue requirement proposed for this proceeding?

1-19. Please state how the AFUDC rate is calculated and state what that rate has been for each month (or most frequently available) from January 1, 2015 to the most currently available for SCE&G/DESC.

Respectfully submitted this 7<sup>th</sup> day of October 2020,

S.C. DEPARTMENT OF CONSUMER AFFAIRS



Roger Hall, Esq. (Assistant Consumer Advocate)  
Carri Grube Lybarker, Esq. (Consumer Advocate)  
P.O. Box 5757  
Columbia, South Carolina 29250-5757  
(803) 734-4200

### **CERTIFICATE OF SERVICE**

I, Roger Hall, hereby certify that the foregoing document was served by electronic mail on all persons at the addresses listed in the official service list for Docket 2020-125-E on October 7, 2020.




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Roger Hall, Esq.